



EUROPEAN
SOCIAL INSURANCE
PLATFORM

The Social Insurers of Europe

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Voluntary elements in the statutory pension systems in the European Union - first pillar only¹

Background:

- new efforts to regulate/coordinate public services and to give European politics a bigger influence on social security systems - green paper on services of general interest, EU-Constitution
- court decisions from European court of justice in health insurance Kohl-Decker, Danner: payments in kind and voluntary contributions to pension insurance add to/come under the free movement of goods and services
- social security -at least parts of it- comes under the laws of internal market and competitiveness

Contents:

- scope of voluntary elements in each state: Is there a possibility? To which extend? For which groups of people or periods?
- **what kind of insurance do people get by paying voluntarily: invalidity cover?**
- if possible statistics: how many people actually make use of this option

Documents:

http://europa.eu.int/comm/employment_social/publications/2001/keaa01001_en.pdf

http://europa.eu.int/comm/employment_social/soc-prot/schemes/secu_2002_en.pdf

http://europa.eu.int/comm/internal_market/pensions/docs/studies/2000-schemes_en.pdf

http://europa.eu.int/comm/employment_social/missoc/index_en.html

http://europa.eu.int/comm/employment_social/soc-prot/pensions/2003jpr_de.pdf

VDR Schriftenreihe, Verband Deutscher Rentenversicherungsträger, Frankfurt/M. (Hrsg.), DRV-Schriften, Bd. 15-1999, Rentenversicherung im internationalen Vergleich

Dr. Franz Terwey, Sozialversicherung und Europäische Integration, DRV-Schriften, VDR Frankfurt/M., 58.Jg., Juni/Juli 2003

Voluntary elements in each country

Belgium

www.onprvp.fgov.be

<http://www.inami.fgov.be/information/fr/statistics/allowances/2001/allowances08.htm>

1. old-age and survivors insurance (ONP – Office National des Pensions): compulsory for all employees and self-employed, special systems for parts of the self-employed persons, global contribution (from employer, employee, self-employed persons) –part of subsidies provided to the

¹ Study, delivered by Annette Lotz, Bundesversicherungsanstalt für Angestellte, Berlin/Nuremberg, Germany

global management, depending on needs, global state subsidies, alternative financing (VAT, progressive solidarity contribution), current income financing: „pay as you go“, collection of contributions and allocation: ONSS, Office National de Sécurité Sociale for employees, INASTI, Institut National d'Assurances Sociales pour Travailleurs Indépendants for the self-employed

1.2 voluntary contributions for old-age and survivors pension insurance possible for:

- a. periods of studies,
- b. interruptions of career, if transition benefit has been paid
- c. salaried periods when no contributions have been paid
- d. other periods: accident according to public law, periods after having paid for at least 30 years, periods of taking care of children up to 3 years (handicapped children up to 6 years)
- e. periods of receiving an disability pension from other countries for cross-border commuters and seasonal workers

according to the ONP:

the options b to e are no longer available, only a few people make use of the option a. as it is expensive compared to the profit

total amount of insured persons at the end of June 2002: 2.699.921

2. Invalidation insurance: INAMI (Institut National d'Assurance Maladie-Invalidité), compulsory for all employees and self-employed; global contribution (employer, employee, self-employed), global state subsidies, alternative financing (VAT) varies according to need, part of car insurance premiums, “pay as you go” principle

2.1. Invalidation cover: minimum 6 month with altogether 120 working days

2.2. Voluntary insurance for assistant husband or wife (*on June 30th, 2000 4.870 voluntarily insured persons from a total of 484.432 self-employed insured persons, around 1 percent*), *obligatorily insured employees: 3.367.002, total amount of all insured persons: 3.856.304, percentage of voluntary insurance: 0,126*

Denmark

http://www.atp.dk/pdf/atp_uk_hel.pdf, page 16,17

1. universal protection scheme for all inhabitants (Folkepension), old-age and invalidity cover: compulsory, financed by tax, current income financing “pay as you go”
invalidity insurance is financed by taxes and the Labour Market Fund (Arbejdsmarkedetsfonden): contributions 8 percent of salary/gross earnings, this pension system is run by the local authorities

1.2 invalidity cover: at least 3 years living in Denmark between the age of 15 and 65, for foreigners 10 years living in Denmark, of it 5 years directly before claiming the pension

1.3. no voluntary insurance possible

2. supplementary pension, ATP (Arbejdsmarkedets Tillaegspension): only old-age and survivors pension, no invalidity cover, compulsory for all employees and people who receive allowances, contribution based (employee, employer), mix between “pay as you go” and capital cover, administered by ATP-Institution

1.2 voluntary insurance for ATP since January 1st, 1997 for:

- a. self-employed persons, who already paid contributions in the ATP over a period of 3 years,
- b. persons who draw an early pension or receive a transition benefit in case of unemployment,
- c. persons, who receive a disability pension or a partial pension

end of 2001 more than 132.000 voluntary insured people in ATP, that is roughly 58 percent of all recipients of voluntary early retirement pay and transitional allowances and approx. 15 percent of

all recipients of disability pensions – total amount of members 2001: 2.995.000, that means 4,4 percent voluntary insured people

Germany

www.vdr.de

www.bfa.de

1. old-age, invalidity and survivors pension insurance: compulsory for all employees and certain groups of self-employed persons (teachers, persons in sick nursing, midwives, craftsmen up to their 216 month of contribution, self-employed who only work for one client, artists), current income financing „pay as you go“, financed by contributions (employer, employee, self-employed) and state subsidy from taxes, organisation is divided into the Federal insurance Institution for White-Collar Workers (Bundesversicherungsanstalt für Angestellte), pension insurances for manual workers (Landesversicherungsanstalten), the Railway' Insurance Institution (Bahnversicherungsanstalt), the Seamen's Fund (Seekasse) and the Federal Insurance Institution for Miners (Bundeskknappschaft), special systems for certain groups of the liberal professions (Berufständische Versorgung)

1.2. voluntary contributions possible for:

- a. persons who have reached the age of 16, who are not compulsory insured and living in Germany,
- b. Germans living abroad,
- c. persons of foreign nationalities living abroad, they might need 60 month of preceding payment (depending on agreement on social security)

arrears payments for:

- a. studies and trainings for more than 8 years, respectively from the age of 16 to 17
- b. German citizens who have retired from serving an international or supranational organisation,
- c. other very limited groups of people

application to compulsory insurance possible:

- a. for all self-employed who are not compulsory by law
- b. and insignificant employed persons who are not compulsory insured by law

pension insurance exemption possible:

- a. for craftsmen, who already paid for 216 month,
- b. self-employed with only one client only for the first 3 years

compensation of pension reduction possible:

- a. for persons who claim the old-age pension prematurely
- b. to fill up reduction due to divorce (transfer of rights of benefits to divorcee)

1.3. invalidity cover: voluntary contributions count for invalidity insurance only, if the person has already paid 60 month contributions before January 1st, 1984 and each month from January 1984 up to the beginning of the voluntary insurance must be covered, which means that younger people cannot achieve an invalidity cover by paying voluntarily

total amount of voluntary contributors in 2001: 695.941, of it all-year round 591.619, total amount of active contributors 2001: 37.996.298, therefore percentage of voluntary contributors.: 1,83 respectively. 1,56

including:

- *9375 German citizens living abroad and 1141 foreign citizens living outside of Germany*
- *arrears payments for studies in 2001: 4.702*
- *fill up of pension reduction (reduction due to premature old-age pension claim) in 2001: 1.374 persons*

not included:

- *number of people who applied for compulsory insurance in 2001: 19.713, percentage of all contributors.: 0,05*

- *Exemption of not being compulsory insured in 2001: 143.012 (number of insignificant employees who do not pay additional contributions in 2001: 5.063.894), that is 2,75 percent of all insignificant employed persons*

total amount of all persons coming under voluntary elements: 858.666, that is 2,26 percent, respectively 1,99

total amount of all contributions for pension insurance in 2001: 322.114.604.000 DM, off it voluntary contributions: 1.253.478.000 DM, fill up reduction due to divorce: 1.344.000 DM, compensation of pension shortage due to premature claim: 52.512.000 DM, total amount 1.307.334.000 DM, percentage of all contributions: 0,406

[http://www.vdr.de/internet/vdr/stat-akt.nsf/\(\\$URLRef\)/8A7070E88AF8F63CC1256CA900375DB8](http://www.vdr.de/internet/vdr/stat-akt.nsf/($URLRef)/8A7070E88AF8F63CC1256CA900375DB8)
[http://www.vdr.de/internet/vdr/stat-akt.nsf/\(\\$URLRef\)/2B341816A2CD8F20C1256CA900375DE8](http://www.vdr.de/internet/vdr/stat-akt.nsf/($URLRef)/2B341816A2CD8F20C1256CA900375DE8)
[http://www.vdr.de/internet/vdr/stat-akt.nsf/\(\\$URLRef\)/AB2BC117CFC67A84C1256CA900375BEB](http://www.vdr.de/internet/vdr/stat-akt.nsf/($URLRef)/AB2BC117CFC67A84C1256CA900375BEB)
[http://www.vdr.de/internet/vdr/stat-akt.nsf/\(\\$URLRef\)/A77A973CFDAD3F66C1256CFB0053DEE7](http://www.vdr.de/internet/vdr/stat-akt.nsf/($URLRef)/A77A973CFDAD3F66C1256CFB0053DEE7)
[http://www.vdr.de/internet/vdr/stat-akt.nsf/\(\\$URLRef\)/04C91313378BF564C1256CA900375F27](http://www.vdr.de/internet/vdr/stat-akt.nsf/($URLRef)/04C91313378BF564C1256CA900375F27)
[http://www.vdr.de/internet/vdr/stat-akt.nsf/\(\\$URLRef\)/7689DC5511C39114C1256C280050D082](http://www.vdr.de/internet/vdr/stat-akt.nsf/($URLRef)/7689DC5511C39114C1256C280050D082)

Finland

www.kela.fi

www.etk.fi, <http://www.etk.fi/english/1/1-0.asp>

http://europa.eu.int/comm/employment_social/missoc/2002/sf_part6_en.htm

1. national pension (Kansaneläke): guaranteed minimum old age, survivors and invalidity pension for all inhabitants between 16 and 65, employers respectively self-employed contributions plus state subsidy, survivors pension: only tax paid, current income financing „pay as you go“; administration: Kela (Kansaneläkelaitos)

the basic system covers also Finnish citizens who are members of the diplomatic staff of foreign missions, their domestic servants, regular employees of the Finnish Government stationed abroad, persons on board a Finnish vessel, people who normally are residents of Finland but will be abroad for more than one year can apply for coverage

- a. assignment from a Finnish employer to work for the same employer, a foreign parent or sister company or subsidiary, or a company in which the employer has a participating interest
- b. work outside Finland as an employee hired locally by a Finnish employer
- c. development cooperation or missionary work
- d. temporary employment in an intergovernmental organization of which Finland is a member
- e. full-time studies or research

these applications for coverage can not be regarded as a voluntary insurance, because the Kela decides about the coverage and no voluntary contributions have to be paid, no voluntary insurance possible

2. employment pension (Työeläke): statutory earnings-related pension scheme, covers old-age, invalidity and survivors pension, all economically active persons (employees – Employees' Pension Acts, e.g.: TEL, LEL, TaEL, VEL, self-employed – YEL, farmers - MYEL, seamen - MEL), contributions of employers, employees and self-employed, additionally state subsidies for farmers', self-employed persons' and seamen's pension schemes, old age and invalidity: mixed system partly funded and partly „pay as you go“, survivors: only „pay as you go“, central body: Finnish Centre for Pensions (ETK, Eläketurvakeskus)

2.1 voluntary elements

since 2002 no exemptions from statutory insurance for self-employed persons possible, under certain circumstances they can be left uninsured if they cannot accrue new pension rights, old exemptions from the time before January 2002 can continue if certain criteria are fulfilled

exemption from compulsory insurance possible for persons working for a Finnish employer abroad in a non-agreement country if the employment has continued for at least two years and if the employer has arranged equivalent pension cover for the employee in some other way

voluntary insurance for old-age and survivors pension possible:

- a. for persons working abroad at a Finnish company's foreign subsidiary, associated company or parent company or
- b. if the employee is posted to a foreign company in which the Finnish company exercises power of decision
- c. for employees hired locally, if they are covered by the Finnish social security at the beginning of the employment

in all these cases the policy holder must be a Finnish company

on December 31st 2002: 317 persons have been registered to be voluntarily insured under the Employee's Pensions Act (TEL), the total number of insured persons was 1.200.000, that is 0.026 percent

3. invalidity cover:

national pension (Kansaneläke) all persons who lived in Finland for the minimum of 3 years from the age of 16

employment pension (Työeläke) no waiting period for employees, cover from first day of employment, for self-employed persons 4 month waiting period as compulsory insurance starts after 4 month **no voluntary insurance possible**

France

http://www.arco.fr/retraite_comp_lang/retcomp_ang.pdf

http://www.legislation.cnav.fr/web/recherche/rech_frame_theme.htm

1.1 old age and survivors pension scheme (régime général): „pay as you go“ system, compulsory for all employees, assimilated persons (unemployed benefits, students) and most of the self-employed (esp. trades people in industry and commerce, craftsmen, liberal professions, artists, farmers), financed by contributions (employer, employee, self-employed) and direct as well as indirect taxes, since 1998 exists a pension reserve fund, in which flow among others contributions from the old-age solidarity fund (FSV- Fonds de Solidarité Vieillesse existing since 1993), this fund is financed from a part of the generalised social contribution (Contribution Sociale Généralisée, CSG) and a subvention from the National Family Benefits Fund (Caisse Nationale d'Allocation Familiales, CNAF), the generalised social contribution is obligatory for all, administration: altogether more than 100 different schemes, in the private sector mainly united to CNAV (Caisse Nationale d'Assurance Vieillesse), various special systems in the public sector, also for self-employed persons, in the agricultural sector and the mining industry (Canssm, Caisse Autonome Nationale de la Sécurité Sociale dans les Mines)

1.2. invalidity insurance is included in health insurance (CNAM – Caisse Nationale d'Assurance Maladie): compulsory for all employees, contribution based (employer, employee), plus special contributions from miscellaneous taxes, „pay as you go system“; self-employed in special systems, executive local authorities: CPAM (Caisses Primaires d'Assurance Maladie)

invalidity cover: one of the options: the total amount of social security contributions during the last 12 month is at minimum 2030 times the minimum dynamic salary (SMIC – Salaire minimum de croissance)

1.3. voluntary insurance possible in old age and invalidity pension schemes:

- a. persons who have been insured in the compulsory system for at least 6 month (e.g.: people who only occasionally have an insignificant occupation, invalidity pensioners, members of foreign embassies, persons who are serving in international organisations (for the last two groups of people also arrear payments possible)
- b. for one parent who raises a child up to its 20 birthday

- c. period of care of a handicapped or invalid relative
- d. French citizens, who work abroad, even if there exists an agreement of social security and the person has to pay a foreign compulsory insurance
- e. various groups of people who started a voluntary insurance before 1967 respectively before December 1st, 1982

total amount of voluntary contributors to the old-age insurance for employees (CNAV) in 2000: 45.152 (including persons who contributed only for one month), total amount of all obligatorily insured persons: 22.190.907, an undefined part of the voluntarily insured persons is included in the obligatorily insured persons, because they changed from voluntary to obligatory insurance during the year, percentage of voluntary insurance: around 0,2

2. supplementary pension insurance scheme (ARRCO, Association pour le régime de retraite complémentaire des salariés for employees; AGIRC, Association générale des institutions de retraite des cadres, for executives), only old-age and survivors insurance, compulsory for all employees and craftsmen, who belong to the basic system, „pay as you go“, contributions paid by employer and employee, craftsmen

2.1 voluntary elements

there has been a possibility for arrear payments for periods prior to the introduction of compulsory supplementary insurance of this industry or profession

now no voluntary insurance possible

for other self-employed persons voluntary supplementary insurances eligible, but third pillar

Greece

http://europa.eu.int/comm/employment_social/missoc2001/el_022001_en.pdf

<http://www.ika.gr/en/english.doc>

1. basic protection scheme old age, survivors and invalidity: compulsory for all employees, self-employed and others, half of the insured salaried workers are members of IKA, Institute for social insurances, the others including the self-employed persons are insured in various other schemes (e.g. OAEE, Insurance Body for the self-employed for trades people, craftsmen, businesspeople, drivers and OGA, Agricultural Insurance Organisation for farmers), „pay as you go“-system, financed by contributions (employer, employee, self-employed) and state subsidies for persons who started insurance since January 1st, 1993, for the other insured persons state subsidies if needed

2. supplementary protection (IKA-Team or others, large variety of funds): compulsory for employees, self-employed and others, „pay as you go“, contributions by employer, employee and self-employed

3. voluntary insurance in IKA and IKA-Team systems for old-age and invalidity possible:

(no invalidity cover with voluntary contributions for people who already reach a degree of invalidity of at least 67 percent)

- a. for all persons who have been insured in the IKA system, but are no longer compulsory insured, as long as their degree of invalidity is at maximum 66 percent and they have been insured during the last 5 years for at least 500 days (application for voluntary insurance in the next 12 month) respectively they have been insured all together for at least 3000 days (no time limit for application), voluntary insurance needed for instance for unemployed persons to achieve the necessary amount of month to reach a full pension
- b. also for Greek citizens respectively persons of Greek origin, who live abroad
- c. since January 1st, 1990 men between 16 and 63 years old and women between 16 and 58 years old who are not compulsory insured
- d. persons who have several compulsory insured occupations belonging to different insurance system at the same time, can choose their system and may even pay additionally voluntarily to the other system

invalidity cover:

- 4.500 working days or
- 300 working days up to the age of 21, increasing to 120 days per year up to a maximum of 4.200 days, 300 of these days must be in the last 5 years or
- 1.500 working days, off it 600 during the last 5 years or
- since 1993: 300 contribution days up to the age of 21, increasing to 120 days for each further year up to a maximum of 1.500 contribution days respectively 5 years

total amount of insured persons (as of August 31st 1999): 4.095.478, off it in the IKA-system: 1.890.000, in the supplementary system total amount of 2.456.181, off it in IKA-Team: 1.475.000²
statistical data about number of voluntary insured persons can not be provided

United Kingdom

<http://www.dwp.gov.uk/gbi/5a58a92.htm>

<http://www.pensionguide.gov.uk/statepen/index.htm>

<http://www.inlandrevenue.gov.uk/pdfs/nico/ca08/ca08b.htm>

<http://www.thepensionerservice.gov.uk/planningAhead/basicStateRetirementPension.asp>

1. Basic Pension for old-age and survivors: compulsory for all employees and self-employed persons, exception for certain married women who chose before April 1977 not to be insured, contribution (employer, employee, self-employed) based, global contribution, ‘pay as you go’, administration: Department for Work and Pensions (DWP), service and payment by the Pension Service, contributions assessment and collection: Inland Revenue

2. supplementary pension for old-age and survivors: State Second Pension since April 1st, 2002 (S.E.R.P.S. State Earnings-Related Pension Scheme from April 1978 to March 2002), compulsory for all employees, **not** for self-employed persons, ‘pay as you go’, earnings -based contributions (employer, employee),
Graduated Retirement Benefit: for those employed persons who paid graduated (earnings-related) contributions between April 6th, 1961 and April 5th, 1975

3. voluntary elements

3.1 Contracting-out: replacement of compulsory supplementary pension possible by voluntary supplementary pension schemes that are capital covered (e.g. Stakeholder Pension), ***so far up to 90 percent of all persons contracted out***

3.2 exceptions from compulsory insurance No. 1 and 2.: insignificant-employed persons, persons with fulltime studies

3.3 voluntary contributions (class 3 contributions) possible only for basic retirement pension and widow’s benefit:

- a. all persons who are not liable for contributions, e.g.: insignificant-employed persons, persons in fulltime studies
- b. self-employed who have been excepted from liability for 2nd class contribution, e. g.: earnings below a certain limit
- c. British citizens who are living abroad under certain conditions or volunteer development workers, these people may also pay 2nd class contributions which additionally cover incapacity benefits

4. non-contributory State pension: for persons aged 80 years and over, who are needy and not insured in the earnings-related system, tax-paid

² Essay ‘Alterssicherung in Griechenland, Olga Angelopoulou, in the series Deutsche Rentenversicherung, VDR Frankfurt/Main, No. 6/2002

5. invalidity insurance (Long-term Incapacity Benefit): belongs to Health Insurance, contribution based, included in global contribution, compulsory for all employees, unemployed and self-employed, except certain married women who chose before April 1977 not to be insured, "pay as you go"
voluntary insurance not possible

Ireland

<http://retired.welfare.ie/home/index.xml>

http://portal.welfare.ie/publications/allpubs/sws_statistics/2001stats.pdf

1. basic pension for old age, survivors and invalidity (PRSI, Pay Related Social Insurance): compulsory for all employees aged between 16 and 66, self-employed only for old age insurance, "pay as you go", minor part invested in a pension fund since 2000, global contribution (employer, employee and self-employed), state subsidy when required, administration, management: Department of Social, Community and Family Affairs, day to day administration: the Social Welfare Services Office

2. voluntary elements

2.1 exceptions of compulsory insurance: insignificant-employed or insignificant self-employed persons

2.2. voluntary insurance possible for retirement/old age and survivors pension (high rate contribution) or only survivors pension (low rate):

- persons who are no longer compulsory insured and have already paid 156 weeks compulsory contributions (time limit for application)
-

3. invalidity cover: altogether 260 weeks of obligatory contributions and 48 weeks of obligatory contributions in the last tax year

no voluntary contributions for invalidity pension possible:

total insured population 1999/2000: 2.310.525 (revised figure), 2000/2001: 2.407.256 (provisional figure), off it voluntary contributors: 1999/2000: 1.504, 2000/2001: 1.600, that is 0,065, respectively 0,066 percent

3. old age non-contributory pension for persons in need, tax financed

Italy

www.inps.it

1. Old age, survivors and invalidity insurance: compulsory for all employees and the majority of self-employed (craftsmen, merchants/retailers, liberal professions, farmers and tenants), paid by contributions (employer, employee, self-employed), "pay as you go" and state subsidies, most of the insured are administered by the INPS, Istituto Nazionale della Previdenza Sociale, there exist special systems for certain groups of people and self-employed persons

2. Voluntary insurance possible:

- a. housewives,
- b. persons who stop working, preceding payment of altogether 5 years or 3 years in the last 5 years is needed

arrears payments options for:

- a. working periods in countries without agreement for social security
- b. studying periods
- c. periods of disease
- d. salaried periods when no contributions have been paid

- e. periods of care for children up to 5 years, if these year are not taken into account fictively and the person has already paid for 5 years

3. invalidity cover:

5 years of payment altogether and 3 years payment in the last 5 years

possible with voluntary contributions

Luxembourg

www.avi.lu

http://europa.eu.int/comm/employment_social/missoc2001/lu_en.pdf

1. old age, survivors and invalidity insurance: compulsory for employees and self-employed, contribution based (employer, employee, self-employed), state subsidies, „pay as you go” combined with system of common funding, based on spreading charges over periods of seven years and creation of a reserve fund (minimum: 1.5 times the amount of annual benefits), administration by different bodies: Etablissement d'Assurance contre la Vieillesse et l'Invalidité, AVI for the majority of insured people, Caisse de Pension des Employés privés, CPEP for the white collar workers in the private sector, for nearly all the self-employed Caisse de Pension des Artisans, des Commerçants et Industriels, CPACI and for the farmers farmers Caisse de Pension Agricole, CPA,

2.1 voluntary insurance for old age, survivors and invalidity insurance possible:

- a. no employment respectively restricted employment due to family situation and living in Luxembourg and having already paid for at least 12 month and being under the age of 65 and not yet claiming pension and medical certificate needed (Assurance facultative Art. 173bis)
- b. continuing insurance (Art. 173, Assurance continuée) for persons who paid at least for 12 month during the last 3 years

2.2 arrear payments possible for:

- a. time of being married
- b. education of a child
- c. care for a handicapped or ill person
- d. periods which had been paid back
- e. periods in foreign pension systems, if no agreement for social security exists
- f. periods in an international organization (Art. 174)

3. invalidity cover:

in the last 3 years insured for 12 month

total number of insured persons in the AVI: 146.251, off it voluntary insured: 316
total number of insured persons in the CPEP: 148.834, off it voluntary insured: 1325
total number of insured persons in the CPACI: 12.597, off it voluntary insured: 220
total number of insured persons in the CPA : 3.308, off it voluntary insured: 108
total numbers: 310.990 1969, that is 0.63 percent

these figures do not include the persons who make arrear payments

Netherlands

http://europa.eu.int/comm/employment_social/soc-prot/pensions/nl_pensionreport_en.pdf

<http://www.uni-ulm.de/LiLL/conf2000/beitraege/sa15.htm#top>

http://www.svb.nl/index_big_uk.html?envelope=422&folder=m235

http://www.svb.nl/documents/9103EP_DN_0802.pdf

http://www.eu-employment-observatory.net/ersep/nl_d/00700178.asp

http://www.uwv.nl/portal/page?_pageid=33,31717&_dad=uwvptl&_schema=UWVPTL

1. Basic pension for old-age (AOW Algemene Ouderdomswet) and survivors (AnW, Algemene Nabestaandenwet): compulsory for all inhabitants, no exceptions, „pay as you go“ combined to a savings fund paid by taxes, contributions based on earned incomes (employees, self-employed, **not** by employers) and other sources of income, managed by SVB, Sociale Verzekeringsbank

1.2 Voluntary insurance possible for old-age and survivors together or separately :

- a. Netherlands citizens who live or work abroad
- b. everyone who has been obligatory insured within one year after this insurance ended regardless of nationality, place of residence or if this person is working

in 2001 a total number of 15.526 people are paying or having paid for a certain period voluntary contributions ,off it for both risks a number of 9.250 persons, old age alone: 4.006, and for the survivors' act alone: 2.270 persons, the total number of all compulsory insured persons is around 12 million, percentage around 0,13

2. invalidity insurance: separated from old-age and survivors insurance, administered by the UWV Uitvoeringsinstituut Werknemersverzekeringen

compulsory for:

- all employees under the age of 65 (WAO –Wet op de arbeidsongeschiktheidsverzekering), contribution of employers,
- self-employed and their spouses who help in the business (WAZ – Wet op de arbeidsongeschiktheidsverzekering zelfstandigen), contribution of self-employed,
- young handicapped who are enable to work (Wajong – Wet arbeidsongeschiktheidsvoorziening jonggehandicapten), tax financed,

2.1 voluntary insurance possible only according to the WAO for:

- a. persons who live in the Netherlands and interrupt their compulsory insurance for a short period
- b. persons who have their domicile in the Netherlands, are not compulsory insured in the Dutch system, but work in a foreign country
- c. persons whose compulsory insurance ended, who have their domicile in a foreign country and who work in that foreign country for a Dutch company for a maximum of 5 years
- d. volunteer development workers or workers for an international organisation in which the Netherlands take part in
- e. persons who start a self-employment or their spouses, certain preceding payment needed
- f. other very limited groups of people

no voluntary insurance for WAZ and Wajong,

2.2 invalidity cover:

no waiting period for invalidity insurance

Austria

www.sozve+rs.at

<http://www.sozialversicherung.at/media/12453.PDF>

http://www.pensionsversicherung.at/esvapps/page/page.jsp?p_pageid=210&p_menuid=6802&p_id=5

1. old age, survivors and invalidity insurance: compulsory for all employees, farmers, craftsmen, trades people as well as nearly all persons in liberal professions and proprietors (exceptions for persons in special pension insurance schemes according to their profession), „pay as you go“, contribution based (employer, employee, self-employed) plus state subsidies, administration: several

bodies, the major one is the Pensionsversicherungsanstalt for all white and blue collar workers, special schemes for, public services, miners, farmers, railway workers, all institutions organised in the association of the Austrian Social Insurance Funds (Hauptverband der Österreichischen Sozialversicherungsträger)

2.1 continuing of insurance voluntarily possible:

- a. if compulsory insurance or a preceding self-insurance ends, certain preceding payment needed, time limit for application
- b. care for a handicapped or invalid relative

2.2 self-insurance possible for:

- c. inhabitants from the age of 15, no preceding payment necessary
- d. insignificant employees
- e. care for a handicapped child (contribution paid by a special fund: Ausgleichsfond des Bundes für Familienbeihilfen)

2.3 arrear payments possible:

- periods of studies

2.4 additional insurance contributions to raise the ordinary compulsory or voluntary contributions possible (higher insurance, Höherversicherung)

2.5 invalidity cover:

180 month of contributions (compulsory or voluntarily) or 300 month insured altogether or 60 month insured in the last 120 month, special features for persons over 50

voluntarily insured persons in the white collar and blue collar workers system

(Pensionsversicherungsanstalt) in 2001: 12.829, that is 0,48 percent of all insured persons additional voluntary insurance(Höherversicherung) in 2001: 3.664, that is 0,14 percent of all insured

total number of insured persons in white and blue collar workers system: 2.698.467

Portugal

http://europa.eu.int/comm/employment_social/missoc2001/pt_0201_en.pdf

<http://www.seg-social.pt/>

1. old-age, invalidity and survivors insurance: compulsory for all employees and self-employed persons, liberal professions in special systems, contribution based (employers, employees, self-employed), global contribution, "pay as you go" combined to capital cover through consolidation funds managed by the Institute for the Administration of Capital Funds for Social Security, participation of public authorities for financing of minimum pensions (pensao mínima), administration: Institute for Solidarity and Social Security (Instituto da Solidariedade e Segurança Social)

2.1 voluntary insurance possible:

- a. persons living in Portugal at minimum age of 18 who are able to work and not insured compulsory
- b. Portuguese citizens who live or work in a country that has no agreement on social security
- c. self-employed persons who have an income above the ceiling

2.2 coverage:

for old-age pension 144 month of voluntary contributions needed, survivors pension 72 month for invalidity cover 72 month of voluntary contributions necessary

2.3 exemption of compulsory insurance possible:

- a. for self-employed persons if they work simultaneously as an employee
- b. persons who receive an invalidity or old-age pension

in 1998 (latest figures) 4.269.522 persons have been insured in the statutory system, off it 6.403 voluntarily, that is 0,15 percent

3. non-contributory old-age pension: persons in need over the age of 65, financed by tax

Spain

http://europa.eu.int/comm/employment_social/missoc2001/es_0201_en.pdf

<http://www.seg-social.es/inicio/>

1. old-age and invalidity and survivors pension: compulsory for all employees, assimilated groups and self-employed, contribution based (employer, employee, self-employed), global contributions, “pay as you go”, additionally capital cover through a single stabilisation fund (Fondo de estabilización único) for all branches of social security, state finances the guaranteed amount of the minimum pensions (pensión mínima), administration: for the majority of the insured the National Social Security Office (Instituto Nacional de la Seguridad Social, INSS), special systems for craftsmen, farmers, trades people, seamen and other self-employed persons, contribution collection and assessment by the General Social Security Revenue Office (Tesorería General de la Seguridad Social, TGSS)

1.2 invalidity cover:

- continuously insured persons under the age of 26: half of the period between the age of 16 and the beginning of invalidity
- continuously insured persons from the age of 26: a quarter of the period between the age of 20 and the beginning of invalidity, minimum of 5 years, a fifth of the paid period must be in the last 10 years
- not regularly insured persons have longer waiting periods

1.3. **no voluntary insurance possible**

2. non-contributory pensions (pensiones no contributivas): old-age and invalidity pensions for persons in need financed by the state since 1990

Sweden

http://www.pension.nu/pdf_nya/RFV_Dap_ENG.pdf

<http://www.ppm.nu/dbfiles/pdf/engelska.pdf>

[http://www.vdr.de/internet/vdr/infopool.nsf/\(\\$URLRef\)/610426F68300C7E2C1256D2D00331525/\\$FILE/Vortrag_Dr%20Binne.pdf](http://www.vdr.de/internet/vdr/infopool.nsf/($URLRef)/610426F68300C7E2C1256D2D00331525/$FILE/Vortrag_Dr%20Binne.pdf)

<http://www.rfv.se/english/pdf/bokeng.pdf>

<http://www.rfv.se/english/pdf/ssisissa.pdf>

<http://europa.eu.int/scadplus/citizens/en/se/1119.htm>

<http://www.rfv.se/english/pdf/rfveng01.pdf> , p. 13

<http://www.rfv.se/social/skrivel/docs/rem3593.pdf>

1. Old system

1.1 basic pension system (folkpension): old age, survivors and invalidity pension, compulsory for all inhabitants from the age of 16, contribution based (employer, self-employed, **not** employee) and state subsidies, “pay as you go”, central body: National Social Insurance Board (Riksförsäkringsverket), regionally: regional social insurance offices, (försäkringskassorna),

1.2 supplementary pension (ATP, allmän tilläggspension) for old-age, invalidity and survivors pension: compulsory for all inhabitants between 16 and 64, contribution based (employer, employee, self-employed) plus state subsidies, “pay as you go” and partly capital cover through funds

2. New system

the new old age pension system came into force on January 1st, 1999, introduced gradually, pensions will be calculated completely under the new system for age groups from 1954, mixed system for age groups born between 1938 and 1953, survivors cover not obligatory,

2.1 public old age pension system (inkomstgrundad ålderspension): compulsory for all inhabitants with income from the age of 16, contribution based (employer, employee, self-employed), based on earnings above insignificant level including social security benefits, fictive income due to studying, childcare or alternative and military service, mixed system: "pay as you go" and National Pension Insurance Fund

2.2 premium reserve system (premiereservsystem): fully funded, based on conventional insurance principles, compulsory for all inhabitants with income, choice for everybody to pay the premium himself to a fund or to let the state put it into safe investments, administration: PR-pension authority (PPM, Premiepensionsmyndigheten), supervision by National Social Insurance Board (Riksförsäkeringsverket) and Ministry of Finances

2.3 guaranteed pension (garantipension) for old-age and invalidity: in force since 2003, tax paid, including all residents with low or no earnings-related old-age pension or without or low income-related sickness or activity compensation (invalids)

2.4 invalidity insurance

since January 2003 belonging to sickness insurance (sickness or activity compensation: sjukersättning, aktivitetersättning), supervised also by the National Social Insurance Board, Riksförsäkeringsverket, compulsory for all employees, self-employed, contributions by employer and individual contributions deduced from income at source (taxes),

invalidity cover: all persons who work in Sweden or receive allowances, extended coverage: one year after work ceased

3. voluntary elements

no voluntary contributions possible neither in the old nor in the new system

survivors cover can be paid voluntarily in the premium pension system

Annex

Insured persons: compulsory and voluntary insurance

simplified

1. Universal protection schemes for all inhabitants

	System	Compulsory insured	Voluntarily insured
Netherlands	old-age	all inhabitants	Everybody within one year after obligatory insurance ends, Netherlands' citizen abroad WAO only: short interruption periods, limited employments abroad, start of self-employment
	invalidity	employed, self-employed, young handicapped persons	
Danmark	universal scheme	all inhabitants	-
	ATP	employed persons, beneficiaries	self-employed, disability or partial pensioners transition benefit in case of unemployment
Finland	national pension	All inhabitants and cases abroad	- people who work for a Finnish company

Voluntary elements in the statutory pension systems in the European Union

	employment pension	all economically active persons	abroad (certain conditions), exemptions from statutory insurance for very limited employments abroad
Sweden old system	basic pension	all inhabitants	-
	ATP	all inhabitants	-

2. Schemes for employed persons

	System	Compulsory insured	Voluntarily insured
Belgium	old-age	all employed and self-employed	studying periods
	invalidity	all employed and self-employed	assistant husband or wife
Germany	statutory system	all employees, part of self-employed, beneficiaries	all not compulsory insured from the age of 16, German citizens abroad, foreign citizens abroad (certain conditions), studying periods, application to compulsory insurance by self-employed or insignificant employees, compensation of pension reductions, exemption for craftsmen
Ireland	statutory system	all employees, self-employed only for old-age	for old-age and survivors only : all not compulsory insured persons (prior payment)
Italy	statutory system	all employees, majority of self-employed	housewives, all not compulsory insured with prior payment, studying periods, employment abroad, periods of disease or care of children, salaried periods without contributions
Luxembourg	statutory system	all employees and self-employed	not compulsory insured (prior payment), times of being married, childcare, care for handicapped or ill persons, employment abroad, periods that have been paid back
Austria	statutory system	all employees, majority of self-employed	not compulsory insured (prior payment), care of handicapped or invalid relative, self-insurance for all inhabitants from the age of 15, insignificant employees, care for a handicapped child, studying periods, higher insurance
Portugal	statutory system	all employees and self-employed	not compulsory insured from the age of 18, Portuguese citizens abroad, self-employed above the ceiling, exemptions for pensioners and self-employed who work simultaneously as employee
Spain	statutory system	All employees, assimilated persons, self-employed	-
France	old-age	All employees, assimilated persons (unemployment benefits, students), majority of self-employed	not compulsory insured (prior payment), child-care, care for ill persons, employment abroad
	supplementary pension	all employees, craftsmen	-

Voluntary elements in the statutory pension systems in the European Union

	invalidity	all employees, self-employed in special systems	not compulsory insured, childcare, care for ill persons, employment abroad
Greece	basic and supplementary protection	all employees, self-employed and assimilated persons	not compulsory insured (prior payment), Greek citizens abroad, all men between 16 and 63, all women between 16 and 58 years
Great-britain	basic pension	all employees and self-employed	not compulsory insured, studying periods, insignificantly self-employed, employment abroad „contracting -out“
	supplementary pension invalidity	all employees all employees, unemployed, self-employed	
Sweden - new system	Income-related public pension	All employees, self-employed, beneficiaries, studying periods, childcare, military service	-
	Premium pension	all inhabitants with income	-
	invalidity	all employees and self-employed	-

Invalidity cover by voluntary elements

1. Universal protection schemes for all inhabitants

	Waiting periods	Voluntary contributions possible	No voluntary elements	Cover without current payment
Netherlands	none, all persons who are currently insured	WAO for certain groups of people	WAZ, Wajong	Wajong – young handicapped persons
Danmark Basic pension for all inhabitants ATP	3 years residence no invalidity insurance		x	x
Finland National pension Employment pension	3 years residence employees: cover from 1st day on, self-employed: from 4 th month on		x x	x
Sweden old system basic pension for all inhabitants	residence		x x	x

Voluntary elements in the statutory pension systems in the European Union

ATP	3 years prior payment			
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2. Schemes for employed persons

	Waiting period	Voluntary contributions possible	No voluntary elements	Cover without current payment
Belgium	minimum 6 month with altogether 120 working days	assistant husband or wife		
Germany	60 month contributions and before January 1984 60 month contributions and from Jan. 1984 on each month is covered or 36 compulsory contributions in the last 60 month	x application to com-pulsory insurance for self-employed		
Ireland	260 weeks obligatory contributions and 48 weeks compulsory contributions in the last tax year		x	
Italy	5 years contributions and 3 years payment in the last 5 years	x		
Luxembourg	In the last 3 years insured for 12 month	x		
Austria	180 contribution month or 300 month insured altogether or 60 month insured in the last 120 month	x		partially
Portugal	72 month of voluntary contributions	x		x
Spain	various options, but only with compulsory contributions		x	
France Invalidity insurance as part of health insurance	one of the options: regularly insured during the last 12 month	x		
Greece Basic and supplementary protection scheme	minimum amount of contributions depending on the age	x		
Great-Britain Long-term Incapacity	only compulsory insurance		x	

Voluntary elements in the statutory pension systems in the European Union

Benefit as part of health insurance				
Sweden - New System³			x	
Income-related invalidity insurance	employed, self-employed or receiving allowances		x	
Residence-related invalidity insurance	residence			x

Statistics to the extend of voluntary elements

as far as figures where accessible

	system	date	total number of insured persons	voluntarily insured persons	percentage
Belgium	INAMI (invalidity insurance)	30.06.2000	3.856.304	4.870	0,126
Danmark	ATP, supplementary pension	31.12.2001	2.995.000	132.000	4,4
Germany	pension insurance	31.12.2001	37.996.298	858.666 ⁴	2,26
Finland	TEL (employment pension)	31.12.2002	1.200.000 (around)	317	0,026
France	CNAV (old-age pension, private sector)	2000	22.190.907	45.152	0,2
Ireland	pension insurance	2000/2001	2.407.256	1.600	0,066
Luxembourg	pension insurance	2001	310.990	1.969	0,63
Netherlands	old-age and survivors pension	2003 (!)	around 12 million	15.526 ⁵	0,13
Austria	Pensionsversicherungsanstalt (pension insurance) only higher insurance	2001	2.698.467	12.829	0,48
				3.664	0,14
Portugal	pension insurance	1998	4.269.522	6.403	0,15

no figures for **Greece, Great-Britain, Italy**
no voluntary elements in **Sweden and Spain**

³ Since 1st January 2003

⁴ all voluntary elements,

⁵ off it 9.250 voluntarily insured for old-age and survivors, 4.006 only for old-age and 2.270 only for survivors pension